

Press release

Solna, 6 December 2013

ICA Gruppen issues SEK 3.0 billion in the form of preference shares in ICA Fastigheter Sverige

ICA Gruppen issues a total of SEK 3.0 billion in the form of unlisted preference shares in the subsidiary ICA Fastigheter Sverige AB. The issue of preference shares is a step in the financing of the acquisition of remaining shares in ICA AB.

In conjunction with the acquisition of the remaining shares in ICA AB in February 2013, a plan to refinance the short-term bridge financing with long-term financing was presented. The issue of preference shares in the real estate operations was one of the steps communicated in the plan. Through ICA Gruppen's SEK 3.0 billion issue of preference shares in ICA Fastigheter Sverige AB ("ICA Fastigheter Sverige"), which will be used to repay part of the bridge financing, ICA Gruppen's equity will increase in parallel with a reduction in net debt.

As per 30 September 2013 ICA Gruppen's net debt, excluding pensions, liabilities related to sale & leaseback and ICA Banken, amounted to approximately SEK 13.9 billion. This corresponds to a net debt of 2.8 times EBITDA (calculated on pro forma EBITDA rolling twelve months as per 30 September 2013). The group's long-term target is a net debt to EBITDA ratio of <2.0 times.

Preference share terms and conditions

The preference share issue is subscribed in equal parts by AMF Pensionsförsäkring AB and If Skadeförsäkring AB. The preference shares have preference to dividend from ICA Fastigheter Sverige corresponding to an annual dividend yield of 5.0 percent, which is paid out quarterly. The preference shares are not entitled to any other dividends.

The terms and conditions for the preference share issue are regulated by the articles of association of ICA Fastigheter Sverige, and principally state that ICA Fastigheter Sverige, from and including the AGM 2018 until the AGM 2020, can redeem the preference shares at an amount corresponding to 100 percent of the subscription price in the preference share issue. If the preference shares are redeemed before or after this period, the preference shares can be redeemed at an amount corresponding to 110 percent of the subscription price. If redemption has not occurred by the time of the AGM 2018, the preference to dividend will increase to a level corresponding to an annual dividend yield of 6.0 percent. The preference shares carry one tenth of a vote and are subject to post-sale purchase right.

ICA Gruppen's subsidiary ICA Fastigheter AB ("ICA Fastigheter") has furthermore, in its capacity as main shareholder in ICA Fastigheter Sverige, entered into an agreement with AMF Pensionsförsäkringar AB and If Skadeförsäkring AB. Through this agreement ICA Fastigheter has, among other things, committed to comply with certain restrictions regarding the leverage in ICA Fastigheter Sverige. Furthermore, ICA Fastigheter has, in the case that preference shares are still outstanding after the AGM 2020, among other things committed to work for a listing and ownership distribution of the preference shares.

Following the preference share issue, ICA Fastigheter holds approximately 97 percent of the votes and approximately 77 percent of the shares in ICA Fastigheter Sverige. Due to the issue of preference shares, financial reporting for ICA Fastigheter Sverige will be published quarterly.

Advisors

Handelsbanken Capital Markets and Nordea Markets act as financial advisors for the transaction. Gernandt & Danielson Advokatbyrå acts as legal advisor in connection with the transaction.

For further information, please contact

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ICA Gruppen AB discloses the information provided herein pursuant to the Securities Market Act and/or the Financial Instruments Trading Act. The information was submitted for publication at 08.00 CET on Friday, 6 December 2013.